



Hundredth Legislature - Second Session - 2008
Introducer's Statement of Intent
LB 875

Chairperson: Philip Erdman
Committee: Agriculture
Date of Hearing: January 29, 2008

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 875 changes the definition of “owner of agricultural assets” in §77-5203(7) by eliminating both the gross income and daily labor requirements for both individuals and partnerships. The only remaining requirements are residency and any additional criteria developed by the Beginning Farmer Board. This definition is also amended to allow corporations, LLCs or other business entities to participate so long as any member or shareholder meets these same minimum criteria. LB 875 also amends §77-5209 by allowing for beginning farmers to enter into share-rent agreements with owner relatives so long as a Board approved “succession plan” is provided. This succession plan would be a legally binding instrument specifying a timetable and process for successful transfer of the agricultural assets.

The Beginning Farmer Tax Credit program is not fulfilling its purpose of inducing young people into agriculture. The tax credit is given to the farmer who agrees to rent his or her property to a beginning farmer for three years, however, too few beginning farmers receive such an opportunity as nearly half the available farm land is owned by an absentee land owner. By reducing restraints on both the owner of agricultural assets and the beginning farmer more beginning farmers will be able to partner with current owners, whether they be absentee owners, relatives or modern business entities, and thus embolden the next generation of Nebraska’s farmers.

Principal Introducer:

Senator Tony Fulton